GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2041
ANSWERED ON:27.08.2007
CONTRACT FARMING
Lagadapati Shri Rajagopal

Will the Minister of AGRICULTURE be pleased to state:

(a) whether a Model Act for contract farming to provide institutional arrangement for registration of sponsoring companies, mandating companies to enter into Contract Farming Agreement with farmers, indemnity to farmers` land, dispute resolution mechanism, etc., has been circulated to the State Governments;

(b) if so, the States which have amended respective State laws or enacted new laws to protect farmers from contract farming;

(c) whether it has come to the notice of the Government that some companies are not entering into mandated Contract Farming Agreement with farmers; and

(d) if so, the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): Yes, Sir.

(b): The States of Arunachal Pradesh, Assam, Haryana, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Tripura and Uttar Pradesh, while making amendments in their State Agricultural Produce Marketing Committees (APMC) Acts, have provided for indemnity to farmers regarding their title, rights, ownership or possession over the land in the wake of any consequences arising out of the contract farming agreement.

(c): Yes, Sir.

(d): Through the Model APMC Act, Government of India had requested the State Governments in 2003, for making recording of contract farming agreements with a prescribed authority compulsory under the law. So far 15 States have made the recording or registration of contract farming agreements with a Government Authority compulsory under the State APMC Acts through the amendments. In most of these States, the required amended rules have not been notified till date to implement this amended provision. The Government of India has requested all State Governments to make such amendments and notify the required rules by March, 2008. The State Governments have to ensure that recording/ registration of contract farming agreements with the prescribed authorities takes place as stipulated in their State APMC Acts.